



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 17-19]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification.

FOR FURTHER INFORMATION CONTACT: Kathy Valadez, (703) 697-9217 or Pamela Young, (703) 697-9107; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 17-19 with attached Policy Justification.

Dated: May 23, 2017.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

APR 27 2017

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 17-19, concerning the Air Force's proposed Letter(s) of Offer and Acceptance to the NATO Support and Procurement Agency for defense articles and services estimated to cost \$300 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "J. W. Rixey", is positioned above the typed name.

J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 17-19

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: NATO Support and Procurement Agency (NSPA)

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$300 million</u>
TOTAL	\$300 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE): None

Non-MDE:

Follow-on support for three (3) C-17 aircraft to include participation in the Global Reach Improvement Program, contract labor for Class I modifications and kits, in-country contractor support, alternate mission equipment, major modification and retrofit, software support, aircraft maintenance and technical support, support equipment, personnel training and training equipment, additional spare and repair parts, technical orders and publications, airworthiness certification support, engine logistics support, inspections, and other U.S. Government and contractor engineering, logistics and program support.

(iv) Military Department: Air Force (X7-D-QAC)

(v) Prior Related Cases, if any: K8-D-QAG

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None

(viii) Date Report Delivered to Congress: April 27, 2017

*as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

NATO Support and Procurement Agency (NSPA) – Continuation of C-17 Logistics Support Services and Equipment

The NATO Support and Procurement Agency (NSPA) has requested the possible sale of follow-on support for three (3) C-17 aircraft to include participation in the Global Reach Improvement Program, contract labor for Class I modifications and kits, in-country contractor support, alternate mission equipment, major modification and retrofit, software support, aircraft maintenance and technical support, support equipment, personnel training and training equipment, additional spare and repair parts, technical orders and publications, airworthiness certification support, engine logistics support, inspections, and other U.S. Government and contractor engineering, logistics and program support. The total estimated program cost is \$300 million.

This proposed sale will contribute to the foreign policy and national security of the United States (U.S.) by providing sustainment for three (3) C-17s operated by a consortium of twelve nations, including the U.S. This program flies missions in and around Europe, Afghanistan, Iraq, the Levant, and North Africa. This proposed sale will provide a similar readiness level for these C-17s as U.S.-operated C-17s. The current FMS case supporting these C-17s will expire on 20 September 2017.

The proposed sale will advance U.S. and NATO policy goals of expanding the capabilities of strategic airlift to NATO allies and partners and sustain the ability to deploy in support of contingency operations outside of Europe. As the C-17 is a support asset, it would not affect the basic military balance in the region. NSPA will have no difficulty absorbing this support.

The prime contractor will be the Boeing Corporation of Chicago, Illinois. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the NATO Support and Procurement Agency.

There will be no adverse impact to U.S. defense readiness as a result of this proposed sale. All defense articles and services listed in this transmittal are authorized for release and export to the NSPA.

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